

111TH CONGRESS  
1ST SESSION

# H. R. 3919

To amend the Internal Revenue Code of 1986 to provide for the designation of Clean Energy Business Zones and for tax incentives for the construction of, and employment at, energy-efficient buildings and clean energy facilities, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 23, 2009

Mr. MAFFEI (for himself, Mr. McMAHON, Mr. BARTLETT, and Mr. THOMPSON of California) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to provide for the designation of Clean Energy Business Zones and for tax incentives for the construction of, and employment at, energy-efficient buildings and clean energy facilities, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Clean Energy Business  
3 Zone Act of 2009” and as the “Clean Energy Empower-  
4 ment Zone Act of 2009”.

5 **SEC. 2. DESIGNATION OF CLEAN ENERGY BUSINESS ZONES**  
6 **AND TAX INCENTIVES WITH RESPECT TO**  
7 **SUCH ZONES.**

8       (a) IN GENERAL.—Chapter 1 of the Internal Rev-  
9 enue Code of 1986 is amended by adding at the end the  
10 following new subchapter:

11 **“Subchapter Z—Clean Energy Business Zones**

“PART I. DESIGNATION.

“PART II. TAX BENEFITS.

12 **“PART I—DESIGNATION**

“Sec. 1400V–1. Designation of Clean Energy Business Zones.

13 **“SEC. 1400V–1. DESIGNATION OF CLEAN ENERGY BUSINESS**  
14 **ZONES.**

15       “(a) IN GENERAL.—The Secretary may designate 40  
16 clean energy business zones.

17       “(b) CONSULTATION.—In designating such zones, the  
18 Secretary shall consult with—

19               “(1) the Secretary of Housing and Urban De-  
20 velopment in the case of urban areas, and

21               “(2) the Secretary of Agriculture in the case of  
22 rural areas.

1       “(c) DESIGNATION CRITERIA.—In designating such  
2 zones, the Secretary shall consider the following factors:

3               “(1) Whether the area already has a clean en-  
4 ergy infrastructure or otherwise has a deteriorating  
5 conventional energy infrastructure.

6               “(2) Whether the area is reliant on carbon-in-  
7 tensive industries and, consequently, job loss is an-  
8 ticipated due to the transition to a clean energy  
9 economy.

10              “(3) Whether the area is home to business sec-  
11 tors that could complement new clean energy indus-  
12 tries.

13              “(4) Whether the area has other environmental  
14 or economic conditions conducive to the establish-  
15 ment of facilities relating to the manufacture or re-  
16 search of clean energy or clean energy technologies,  
17 including the components used in such manufacture  
18 or research and the production of clean energy.

19       “(d) SIZE.—An area may be designated as a Clean  
20 Energy Business Zone only if it meets the requirements  
21 of section 1392(a)(3).

22       “(e) PERIOD DESIGNATIONS MAY BE MADE.—A des-  
23 ignation may be made under subsection (a) only after  
24 2009 and before 2012.

1 “(f) PERIOD FOR WHICH DESIGNATION IS IN EF-  
 2 FECT.—Any designation under this section shall remain  
 3 in effect during the period beginning on the date of the  
 4 designation and ending on the close of the 10th calendar  
 5 year beginning on or after such date of designation.

6 **“PART 1—TAX BENEFITS**

“Sec. 1400V-2. Tax benefits for clean energy business zones.

7 **“SEC. 1400V-2. TAX BENEFITS FOR CLEAN ENERGY BUSI-**  
 8 **NESS ZONES.**

9 “(a) WAGE CREDIT.—For purposes of section  
 10 1396—

11 “(1) IN GENERAL.—Subject to the modifica-  
 12 tions in paragraph (2), a Clean Energy Business  
 13 Zone shall be treated as an empowerment zone.

14 “(2) MODIFICATIONS.—In applying section  
 15 1396 with respect to Clean Energy Business  
 16 Zones—

17 “(A) IN GENERAL.—In the case of quali-  
 18 fied wages—

19 “(i) subsection (b) thereof shall be ap-  
 20 plied by substituting ‘30 percent’ for ‘20  
 21 percent’, and

22 “(ii) subsection (c) thereof shall be  
 23 applied by substituting ‘\$20,000’ for  
 24 ‘\$15,000’ each place it appears.

1 “(B) QUALIFIED WAGES.—For purposes of  
2 subparagraph (A), the term ‘qualified wages’  
3 means qualified zone wages (as defined in sec-  
4 tion 1396(c)) for services performed by the em-  
5 ployee—

6 “(i) in the construction of any quali-  
7 fied Green building, or

8 “(ii) in any qualified clean energy fa-  
9 cility.

10 “(C) COORDINATION WITH BASIC CRED-  
11 IT.—The \$15,000 amount in section 1396(c)(2)  
12 (without regard to this subsection) shall be re-  
13 duced for any calendar year by the amount of  
14 wages paid or incurred during such year which  
15 are taken into account in determining the credit  
16 under this subsection.

17 “(3) CREDIT TO BE REFUNDABLE.—So much  
18 of the credit allowable by section 1396 solely by rea-  
19 son of this subsection shall be treated as allowed  
20 under subpart C of part IV of subchapter A of this  
21 chapter.

22 “(b) EXPANSION OF WORK OPPORTUNITY CREDIT.—

23 “(1) IN GENERAL.—For purposes of section 51,  
24 a Clean Energy Business Zone employee shall be  
25 treated as a member of a targeted group.

1           “(2) CLEAN ENERGY BUSINESS ZONE BUSINESS  
2       EMPLOYEE.—For purposes of this subsection—

3           “(A) IN GENERAL.—The term ‘Clean En-  
4       ergy Business Zone employee’ means, with re-  
5       spect to any period, any employee of a Clean  
6       Energy Business Zone business if—

7           “(i) the principal place of abode of  
8       such employee during such period is within  
9       a Clean Energy Business Zone,

10          “(ii) substantially all the services per-  
11       formed during such period by such em-  
12       ployee for such business are performed—

13           “(I) in the construction of any  
14       qualified Green energy building, or

15           “(II) in a qualified clean energy  
16       facility, and

17           “(iii) such employee had been em-  
18       ployed in a carbon-intensive business at  
19       any time during the 1-year period ending  
20       on the date that the individual was first  
21       hired by the employer.

22          “(B) CLEAN ENERGY BUSINESS ZONE  
23       BUSINESS.—The term ‘Clean Energy Business  
24       Zone business’ means any trade or business—

1 “(i) which is located in a Clean En-  
2 ergy Business Zone, and

3 “(ii) at least 15 percent of the em-  
4 ployees of which are residents of a Clean  
5 Energy Business Zone.

6 “(C) SPECIAL RULES FOR DETERMINING  
7 AMOUNT OF CREDIT.—For purposes of applying  
8 subpart F of part IV of subchapter A of this  
9 chapter to wages paid or incurred to any Clean  
10 Energy Business Zone business employee—

11 “(i) subsections (c)(4) and (i)(2) of  
12 section 51 shall not apply, and

13 “(ii) in determining qualified wages,  
14 the following shall apply in lieu of section  
15 51(b):

16 “(I) QUALIFIED WAGES.—The  
17 term ‘qualified wages’ means wages  
18 paid or incurred by the employer to  
19 individuals who are Clean Energy  
20 Business Zone business employees of  
21 such employer for work performed  
22 during calendar year 2010.

23 “(II) ONLY FIRST \$12,000 OF  
24 WAGES PER CALENDAR YEAR TAKEN  
25 INTO ACCOUNT.—The amount of the

1 qualified wages which may be taken  
2 into account with respect to any indi-  
3 vidual shall not exceed \$12,000 per  
4 calendar year.

5 “(c) CLEAN RENEWABLE ENERGY BONDS.—

6 “(1) IN GENERAL.—For purposes of section  
7 54(c)(2), the term ‘qualified facility’ includes—

8 “(A) any qualified Green building, and

9 “(B) any qualified clean energy facility.

10 “(2) EXTENSION.—In the case of bonds which  
11 are clean renewable energy bonds under section 54  
12 solely by reason of this subsection, section 54(m)  
13 shall be applied by substituting ‘December 31, 2020’  
14 for ‘December 31, 2009’.

15 “(d) INCREASED EXPENSING UNDER SECTION  
16 179.—

17 “(1) IN GENERAL.—For purposes of section  
18 179, the dollar amount in effect under section  
19 179(b)(1) for the taxable year shall be increased by  
20 the lesser of—

21 “(A) \$250,000, or

22 “(B) the cost of qualified section 179  
23 Clean Energy Business Zone property placed in  
24 service during the taxable year.



1           “(2) QUALIFIED SECTION 179 CLEAN ENERGY  
2 BUSINESS ZONE PROPERTY.—For purposes of this  
3 subsection—

4           “(A) IN GENERAL.—The term ‘qualified  
5 section 179 Clean Energy Business Zone prop-  
6 erty’ means section 179 property (as defined in  
7 section 179(d))—

8           “(i) which is described in section  
9 168(k)(2)(A)(i) or which is nonresidential  
10 real property or residential rental property,

11           “(ii) substantially all of the use of  
12 which is in—

13           “(I) a qualified Green building or  
14 a qualified clean energy facility, and

15           “(II) the active conduct of a  
16 trade or business by the taxpayer in  
17 such Zone,

18           “(iii) the original use of which in the  
19 Clean Energy Business Zone commences  
20 with the taxpayer on or after the date of  
21 the enactment of this section,

22           “(iv) which is acquired by the tax-  
23 payer by purchase (as defined in section  
24 179(d)) on or after such date, but only if

1 no written binding contract for the acquisi-  
2 tion was in effect before such date, and

3 “(v) which is placed in service by the  
4 taxpayer during the 2-year period begin-  
5 ning on such date (during the 3-year pe-  
6 riod beginning on such date, in the case of  
7 nonresidential real property and residential  
8 rental property).

9 “(B) EXCEPTIONS.—

10 “(i) ALTERNATIVE DEPRECIATION  
11 PROPERTY.—Such term shall not include  
12 any property described in section  
13 168(k)(2)(D)(i).

14 “(ii) TAX-EXEMPT BOND-FINANCED  
15 PROPERTY.—Such term shall not include  
16 any property any portion of which is fi-  
17 nanced with the proceeds of any obligation  
18 the interest on which is exempt from tax  
19 under section 103.

20 “(iii) ELECTION OUT.—If a taxpayer  
21 makes an election under this clause with  
22 respect to any class of property for any  
23 taxable year, this subsection shall not  
24 apply to all property in such class placed  
25 in service during such taxable year.

1           “(3) SPECIAL RULES.—For purposes of this  
2 subsection, rules similar to the rules of subpara-  
3 graph (E) of section 168(k)(2) shall apply, except  
4 that such subparagraph shall be applied—

5                   “(A) without regard to ‘and before Janu-  
6 ary 1, 2010’ in clause (i) thereof, and

7                   “(B) by substituting ‘qualified Clean En-  
8 ergy Business Zone property’ for ‘qualified  
9 property’ in clause (iv) thereof.

10           “(4) ALLOWANCE AGAINST ALTERNATIVE MIN-  
11 IMUM TAX.—For purposes of this subsection, rules  
12 similar to the rules of section 168(k)(2)(G) shall  
13 apply.

14           “(5) RECAPTURE.—For purposes of this sub-  
15 section, rules similar to the rules under section  
16 179(d)(10) shall apply with respect to any qualified  
17 section 179 Clean Energy Business Zone property  
18 which ceases to be qualified section 179 Clean En-  
19 ergy Business Zone property.

20           “(e) EXCLUSION OF CAPITAL GAIN ON STOCK IN  
21 QUALIFIED BUSINESSES.—

22                   “(1) IN GENERAL.—Gross income shall not in-  
23 clude qualified capital gain from the sale or ex-  
24 change of any Clean Energy Business Zone asset  
25 held for more than 5 years.

1 “(2) CLEAN ENERGY BUSINESS ZONE ASSET.—

2 For purposes of this subsection—

3 “(A) IN GENERAL.—The term ‘Clean En-  
4 ergy Business Zone asset’ means—

5 “(i) any Clean Energy Business Zone  
6 business stock,

7 “(ii) any Clean Energy Business Zone  
8 partnership interest, and

9 “(iii) any Clean Energy Business  
10 Zone business property.

11 “(B) CLEAN ENERGY BUSINESS ZONE  
12 BUSINESS STOCK.—

13 “(i) IN GENERAL.—The term ‘Clean  
14 Energy Business Zone business stock’  
15 means any stock in a domestic corporation  
16 which is originally issued after the date of  
17 the enactment of this section if—

18 “(I) such stock is acquired by the  
19 taxpayer, before January 1, 2013, at  
20 its original issue (directly or through  
21 an underwriter) solely in exchange for  
22 cash,

23 “(II) as of the time such stock  
24 was issued, such corporation was a  
25 Clean Energy Business Zone business

1 (or, in the case of a new corporation,  
2 such corporation was being organized  
3 for purposes of being a Clean Energy  
4 Business Zone business), and

5 “(III) during substantially all of  
6 the taxpayer’s holding period for such  
7 stock, such corporation qualified as a  
8 Clean Energy Business Zone business.

9 “(ii) REDEMPTIONS.—A rule similar  
10 to the rule of section 1202(c)(3) shall  
11 apply for purposes of this paragraph.

12 “(C) CLEAN ENERGY BUSINESS ZONE  
13 PARTNERSHIP INTEREST.—The term ‘Clean  
14 Energy Business Zone partnership interest’  
15 means any capital or profits interest in a do-  
16 mestic partnership which is originally issued  
17 after the date of the enactment of this section  
18 if—

19 “(i) such interest is acquired by the  
20 taxpayer, before January 1, 2013, from  
21 the partnership solely in exchange for cash,

22 “(ii) as of the time such interest was  
23 acquired, such partnership was a Clean  
24 Energy Business Zone business (or, in the  
25 case of a new partnership, such partner-

1 ship was being organized for purposes of  
2 being a Clean Energy Business Zone busi-  
3 ness), and

4 “(iii) during substantially all of the  
5 taxpayer’s holding period for such interest,  
6 such partnership qualified as a Clean En-  
7 ergy Business Zone business.

8 A rule similar to the rule of subparagraph  
9 (B)(ii) shall apply for purposes of this subpara-  
10 graph.

11 “(D) CLEAN ENERGY BUSINESS ZONE  
12 BUSINESS PROPERTY.—

13 “(i) IN GENERAL.—The term ‘Clean  
14 Energy Business Zone business property’  
15 means property which is a qualified Green  
16 building if—

17 “(I) such property was acquired  
18 by the taxpayer by purchase (as de-  
19 fined in section 179(d)(2) after the  
20 date of the enactment of this section  
21 and before January 1, 2013,

22 “(II) the original use of such  
23 property in the Clean Energy Busi-  
24 ness Zone commences with the tax-  
25 payer, and

1 “(III) during substantially all of  
2 the taxpayer’s holding period for such  
3 property, substantially all of the use  
4 of such property was in a Clean En-  
5 ergy Business Zone business of the  
6 taxpayer.

7 “(ii) SPECIAL RULE FOR BUILDINGS  
8 WHICH ARE SUBSTANTIALLY IMPROVED.—

9 “(I) IN GENERAL.—The require-  
10 ments of subclauses (I) and (II) of  
11 clause (i) shall be treated as met with  
12 respect to—

13 “(aa) property which is sub-  
14 stantially improved by the tax-  
15 payer before January 1, 2013,  
16 and

17 “(bb) any land on which  
18 such property is located.

19 “(II) SUBSTANTIAL IMPROVE-  
20 MENT.—For purposes of subclause  
21 (I), property shall be treated as sub-  
22 stantially improved by the taxpayer  
23 only if, during any 24-month period  
24 beginning after December 31, 1997,  
25 additions to basis with respect to such

1 property in the hands of the taxpayer  
2 exceed the greater of \$5,000 or an  
3 amount equal to the adjusted basis of  
4 such property at the beginning of  
5 such 24-month period in the hands of  
6 the taxpayer.

7 “(E) TREATMENT OF CLEAN ENERGY  
8 BUSINESS ZONE TERMINATION.—The termi-  
9 nation of the designation of the Clean Energy  
10 Business Zone shall be disregarded for purposes  
11 of determining whether any property is a Clean  
12 Energy Business Zone asset.

13 “(F) TREATMENT OF SUBSEQUENT PUR-  
14 CHASERS, ETC.—The term ‘Clean Energy Busi-  
15 ness Zone asset’ includes any property which  
16 would be a Clean Energy Business Zone asset  
17 but for subparagraph (B)(i)(I), (C)(i), or (D)(i)  
18 (I) or (II) in the hands of the taxpayer if such  
19 property was a Clean Energy Business Zone  
20 asset in the hands of a prior holder.

21 “(G) 5-YEAR SAFE HARBOR.—If any prop-  
22 erty ceases to be a Clean Energy Business Zone  
23 asset by reason of subparagraph (B)(i)(III),  
24 (C)(iii), or (D)(i)(III) after the 5-year period  
25 beginning on the date the taxpayer acquired



1       such property, such property shall continue to  
2       be treated as meeting the requirements of such  
3       paragraph; except that the amount of gain to  
4       which paragraph (1) applies on any sale or ex-  
5       change of such property shall not exceed the  
6       amount which would be qualified capital gain  
7       had such property been sold on the date of such  
8       cessation.

9       “(3) CLEAN ENERGY BUSINESS ZONE BUSI-  
10      NESS.—For purposes of this subsection, the term  
11      ‘Clean Energy Business Zone business’ means any  
12      trade or business if—

13               “(A) all buildings located in any Clean En-  
14              ergy Business Zone which are owned or occu-  
15              pied by such trade or business are qualified  
16              Green buildings or qualified clean energy facili-  
17              ties, and

18               “(B) such business would be an enterprise  
19              zone business (as defined in section 1397C) de-  
20              termined—

21                       “(i) by substituting ‘80 percent’ for  
22                      ‘50 percent’ in subsections (b)(2) and  
23                      (c)(1) of section 1397C,

1 “(ii) by substituting ‘15 percent’ for  
 2 ‘35 percent’ in subsections (b)(6) and  
 3 (c)(5) of section 1397C, and

4 “(iii) by treating no area other than  
 5 the Clean Energy Business Zone as an em-  
 6 powerment zone or enterprise community.

7 “(4) OTHER DEFINITIONS AND SPECIAL  
 8 RULES.—

9 “(A) QUALIFIED CAPITAL GAIN.—Except  
 10 as otherwise provided in this paragraph, the  
 11 term ‘qualified capital gain’ means any gain  
 12 recognized on the sale or exchange of—

13 “(i) a capital asset, or

14 “(ii) property used in the trade or  
 15 business (as defined in section 1231(b).

16 “(B) GAIN BEFORE ENACTMENT OR AFTER  
 17 2012 NOT QUALIFIED.—The term ‘qualified cap-  
 18 ital gain’ shall not include any gain attributable  
 19 to periods before the date of the enactment of  
 20 this section or after December 31, 2012.

21 “(C) CERTAIN GAIN NOT QUALIFIED.—The  
 22 term ‘qualified capital gain’ shall not include  
 23 any gain which would be treated as ordinary in-  
 24 come under section 1245 or under section 1250

1 if section 1250 applied to all depreciation rath-  
 2 er than the additional depreciation.

3 “(D) INTANGIBLES AND LAND NOT INTE-  
 4 GRAL PART OF CLEAN ENERGY BUSINESS ZONE  
 5 BUSINESS.—The term ‘qualified capital gain’  
 6 shall not include any gain which is attributable  
 7 to real property, or an intangible asset, which  
 8 is not an integral part of a Clean Energy Busi-  
 9 ness Zone business.

10 “(E) RELATED PARTY TRANSACTIONS.—  
 11 The term ‘qualified capital gain’ shall not in-  
 12 clude any gain attributable, directly or indi-  
 13 rectly, in whole or in part, to a transaction with  
 14 a related person. For purposes of this para-  
 15 graph, persons are related to each other if such  
 16 persons are described in section 267(b) or  
 17 707(b)(1).

18 “(5) CERTAIN RULES TO APPLY.—Rules similar  
 19 to the rules of subsections (g), (h), (i)(2), and (j) of  
 20 section 1202 shall apply for purposes of this sub-  
 21 section.

22 “(6) SALES AND EXCHANGES OF INTERESTS IN  
 23 PARTNERSHIPS AND S CORPORATIONS WHICH ARE  
 24 CLEAN ENERGY BUSINESS ZONE BUSINESSES.—In  
 25 the case of the sale or exchange of an interest in a

1 partnership, or of stock in an S corporation, which  
2 was a Clean Energy Business Zone business during  
3 substantially all of the period the taxpayer held such  
4 interest or stock, the amount of qualified capital  
5 gain shall be determined without regard to—

6 “(A) any gain which is attributable to real  
7 property, or an intangible asset, which is not an  
8 integral part of a Clean Energy Business Zone  
9 business, and

10 “(B) any gain attributable to periods be-  
11 fore the date of the enactment of this section or  
12 after December 31, 2012.

13 “(f) EXPENSING OF PORTION OF COST OF QUALI-  
14 FIED CLEAN ENERGY FACILITIES.—

15 “(1) IN GENERAL.—A taxpayer may elect to  
16 treat the cost of any qualified clean energy facility  
17 property as an expense which is not chargeable to  
18 capital account. Any cost so treated shall be allowed  
19 as a deduction for the taxable year in which the  
20 property is placed in service.

21 “(2) MAXIMUM AMOUNT OF DEDUCTION.—

22 “(A) IN GENERAL.—The deduction under  
23 paragraph (1) for any taxable year shall not ex-  
24 ceed \$1,000,000.

1           “(B) DEDUCTION ALLOWED FOR ONLY 5  
2           YEARS.—A deduction shall be allowed under  
3           this paragraph for any qualified clean energy  
4           facility property only for the taxable year dur-  
5           ing which the qualified clean energy facility is  
6           placed in service and for the first 4 taxable  
7           years thereafter.

8           “(3) QUALIFIED CLEAN ENERGY FACILITY  
9           PROPERTY.—For purposes of this subsection, the  
10          term ‘qualified clean energy facility property’ means  
11          any property—

12                 “(A) with respect to which depreciation (or  
13                 amortization in lieu of depreciation) is allow-  
14                 able, and

15                 “(B) which is installed on or in any quali-  
16                 fied clean energy facility.

17          “(4) BASIS REDUCTION.—For purposes of this  
18          subtitle, if a deduction is allowed under this sub-  
19          section with respect to any qualified clean energy fa-  
20          cility property, the basis of such property shall be  
21          reduced by the amount of the deduction so allowed.

22          “(5) TERMINATION.—This subsection shall not  
23          apply to property placed in service after December  
24          31, 2012.

25          “(g) DEFINITIONS.—For purposes of this section—

1 “(1) QUALIFIED GREEN BUILDING.—

2 “(A) IN GENERAL.—The term ‘qualified  
3 Green building’ means any building which is lo-  
4 cated in a Clean Energy Business Zone and  
5 which meets the standards prescribed by the  
6 Administrator of the Environmental Protection  
7 Agency under subparagraph (B) for such build-  
8 ing.

9 “(B) STANDARDS.—The Administrator of  
10 the Environmental Protection Agency shall de-  
11 velop and implement, in consultation with the  
12 Secretary of Energy, standards for a national  
13 energy and environmental building retrofit pol-  
14 icy for single-family and multifamily residences.  
15 The Administrator shall develop and implement,  
16 in consultation with the Secretary of Energy  
17 and the Director of Commercial High-Perform-  
18 ance Green Buildings, standards for a national  
19 energy and environmental building retrofit pol-  
20 icy for nonresidential buildings. The programs  
21 to implement the residential and nonresidential  
22 policies based on the standards developed under  
23 this subparagraph shall together be known as  
24 the Retrofit for Energy and Environmental  
25 Performance (REEP) program.

1           “(2) QUALIFIED CLEAN ENERGY FACILITY.—

2           The term ‘qualified clean energy facility’ means any  
3           facility which is located in a Clean Energy Business  
4           Zone and which relates to the manufacture or re-  
5           search of clean energy or clean energy technologies,  
6           including the components used in such manufacture  
7           or research and the production of clean energy.’”.

8           (b) CLERICAL AMENDMENT.—The table of sub-  
9           chapters for chapter 1 of such Code is amended by adding  
10          at the end the following new item:

                  “SUBCHAPTER Z. CLEAN ENERGY BUSINESS ZONES.”.

11          (c) EFFECTIVE DATE.—The amendments made by  
12          this section shall apply to taxable years ending after the  
13          date of the enactment of this Act.

14       **SEC. 3. WAIVER OF SBA LOAN FEES.**

15          (a) SECTION 7(a) LOANS.—Paragraph (18) section  
16          7(a) of the Small Business Act is amended by adding at  
17          the end the following new subparagraph:

18                   “(C) NO FEE PERMITTED FOR CLEAN EN-  
19                   ERGY CONSTRUCTION LOANS.—No fee may be  
20                   imposed under this paragraph with respect to  
21                   any loan made before January 1, 2020, for the  
22                   construction of any qualified Green building (as  
23                   defined in section 1400V-2(g) of the Internal  
24                   Revenue Code of 1986) or any qualified clean  
25                   energy facility (as defined in such section).’”.

1       (b) SECTION 504 LOANS.—Paragraph (2) of section  
2 503(d) of the Small Business Investment Act of 1958 is  
3 amended by adding at the end the following new sentence:  
4 “No fee may be imposed under this paragraph with re-  
5 spect to any loan made before January 1, 2020, for the  
6 construction of any qualified Green building (as defined  
7 in section 1400V–2(g) of the Internal Revenue Code of  
8 1986) or any qualified clean energy facility (as defined  
9 in such section).”

○